



Department of Business Regulation

233 Richmond Street
Providence, RI 02903

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Third Party Administrator

Do I Need a Rhode Island Certificate of Authority? Do I need to register?

When must Third Party Administrators have a Certificate of Authority or be registered?

R.I. Gen. Laws § 27-20.7-1 *et seq.* requires all Third Party Administrators subject to the law to have Certificates of Authority or to be registered on and after April 1, 2002.

What lines of business are covered under the Third Party Administrator requirements?

Life Insurance, Health Insurance and Annuities. Administrators of Workers Compensation and other property and casualty lines are not subject to the Third Party Administrator law.

What activities require a TPA Certificate of Authority?

- Soliciting or effecting coverage
- Underwriting
- Collecting premiums or charges
- Adjusting or settling claims if either –
 - you handle claims that affect Rhode Island residents, or
 - your office is in Rhode Island.

I (or my firm) already have (has) an insurance license in Rhode Island. Do I also need a TPA Certificate of Authority?

Not necessarily. In general, you do not need a TPA Certificate of Authority if all of the work that you do as an administrator is covered by the license that you now hold.

However, you do need a TPA Certificate of Authority if you perform administrative services that are beyond the scope of your license. You do not need a Certificate of Authority to do the following if you are in any of the following categories:

- Insurers, including non-profit hospital, medical, dental or legal service corporations and health maintenance organizations holding a Rhode Island Certificate of Authority or otherwise authorized to do a life, annuity and/or health insurance business in Rhode Island *whose administration activities are limited to that authority.*
- Producers *whose administration activities are limited to sales.*
- Adjusters *whose administration activities are limited to adjusting.*

- Managing General Agents *whose administration activities are limited to those permitted to a MGA.*

My only insurance administration activities are incidental to a business or profession or to acting in a limited capacity. Do I need a TPA Certificate of Authority?

You do not need a Rhode Island TPA Certificate of Authority if you are any of the following, **and** you do not perform administration services beyond the usual activities of a person in your capacity or profession:

- Employers that administer plans for their own employees or for those of subsidiaries.
- Unions that administer plans for their own members.
- Creditors acting on behalf of their debtors with respect to a debt between the creditor and its debtors.
- Union or Labor/Management employee welfare trusts, and their trustees, employees and agents administering employee benefits as permitted in the federal Labor Management Relations Act [29 USC §186].
- Trustees of Multiemployer Plans and other trusts exempt under § 501(a) of the Internal Revenue Code and Custodians of accounts established for stock bonus, pension or profit-sharing that constitute qualified trusts under § 401(f) of the Internal Revenue Code.
- Credit Unions or Financial Institutions that only collect premium and remit to an insurance producer or carrier.
- Credit Card Companies that advance and collect premium and do not adjust or settle claims.
- Attorneys that settle claims in the normal course of practice or employment and do not collect charges or premiums for life, health or annuity contracts.
- Administrators who only serve Employee Welfare Benefit Plans that are not insured and are exempt from state law under ERISA [29 USC § 1001 *et seq.*], **except that such administrators must register as provided in R.I. Gen. Laws § 27-20.7-12(g).**

An administrator is not required to have a Rhode Island Certificate of Authority or register in Rhode Island if:

- The administrator's principal place of business is in another state, **and**
- The administrator is not soliciting business as an administrator in Rhode Island, **and**
- The administrator services no group policy or plan of insurance of which more than five percent (5%) of certificate holders nor more than one hundred (100) certificate holders reside in Rhode Island.

If you are not exempt as described above, you must complete an Application for Third Party Administrator Certificate of Authority or Registration form and mail or express it to the Rhode Island Department of Business Regulation as instructed on the Application or Registration form. It is your responsibility to determine whether you need a Certificate of Authority or Registration or are exempt. Rhode Island will not issue certificates of exemption.